JRM:dks 04/25/07 P0977 PATENT

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re application of Art Unit: 2624

Brundage et al. Confirmation No.: 5107

Application No.: 10/828,930

Filed: April 20, 2004

VIA Electronic Filing

For: PROGRESSIVE WATERMARK DECODING ON A DISTRIBUTED COMPUTING PLATFORM

Examiner: A. Carter Date: April 25, 2007

STATEMENT RESPONDING TO REASONS FOR ALLOWANCE

Mail Stop ISSUE FEE COMMISSIONER FOR PATENTS P.O. Box 1450 Alexandria, VA 22313-1450

Sir:

This statement is filed pursuant to 37 C.F.R. 1.104(e) ("Reasons for Allowance"), and is responsive to the Examiner's statement of reasons for the indication of allowable subject matter in the Notice of Allowablity dated January 25. 2007.

Applicant respectfully submits that the allowability of the claims does not hinge on isolated elements thereof. Rather, the claims are believed patentable because, when viewed as a whole, they define combinations that are neither anticipated by, nor obvious over, the prior art.

Respectfully submitted,

DIGIMARC CORPORATION

Customer Number 23735

Telephone: 503-469-4800 FAX: 503-469-4777

Date: April 25, 2007

y JATO

Registration No. 37,677